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## Cattle Market Update

For the Week Ending September 19, 2014

All prices are quoted in Canadian dollars per hundredweight (\$/cwt) unless otherwise stated.

### Saskatchewan Feeder Steer and Feeder Heifer Prices (\$/cwt)

Feeder Steers		300-400	400-500	500-600	600-700	700-800	800-900	900+ lb.
Sept. 19/2014	Average	\$326.13	\$319.33	\$273.17	\$250.90	\$235.67	\$228.38	\$214.67
Sept. 19/2014	Range	309-355	290-339	264-295	238-271	227-252	221-236	200-226
Week/Week	Change	\$10.25	\$21.83	\$9.29	-\$0.79	-\$1.18	\$0.77	-\$2.03
Sept. 12/2014	Average	\$315.88	\$297.50	\$263.88	\$251.69	\$236.85	\$227.61	\$216.70
Feeder Heifers		300-400	400-500	500-600	600-700	700-800	800+ lb.	
Sept. 19/2014	Average	\$282.00	\$260.75	\$236.25	\$227.92	\$223.30	\$209.42	
Sept. 19/2014	Range	264-308	247-277	227-251	219-241	214-234	201-223	
Week/Week	Change	\$22.50	\$2.92	-\$1.25	\$1.42	\$2.38	\$3.12	
Sept. 12/2014	Average	\$259.50	\$257.83	\$237.50	\$226.50	\$220.92	\$206.30	

Source: CanFax

Note: Prices are determined from Saskatchewan auction marts' reports of sale results from Thursday of the previous week to Thursday of the current week. N.A. means not available due to lack of sufficient data.

Canfax reported that a total of 7,457 head of cattle were sold in Saskatchewan this week, down from 9,577 head marketed the previous week.

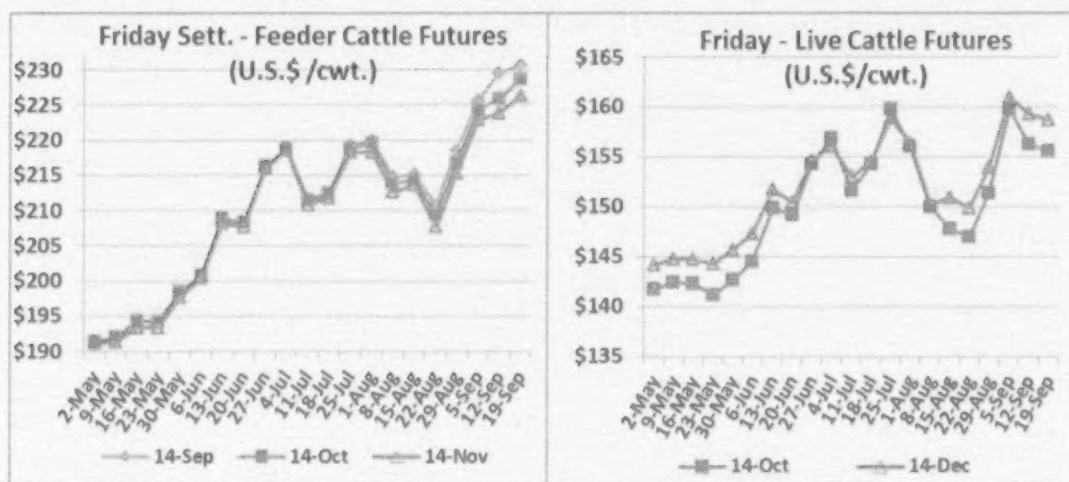
Saskatchewan feeder steer prices were mixed over the week with big gains in the light weight categories. Saskatchewan feeder steer prices ranged from \$2.03 per cwt lower to \$21.83 per cwt higher over the week. The biggest gain over the week was in the 400-500 lb. weight category which increased \$21.83 per cwt. The 900+ lb. weight category had the largest loss over the week and decreased \$2.03 per cwt. The feeder steers in the 300-600 lb. weight categories along with the 800-900 lb. weight category reached new all-time high record prices.

Feeder heifer prices were mostly higher over the week ranging from \$1.25 per cwt lower to \$22.50 per cwt higher. The 300-400 lb. weight category had the largest increase over the week at \$22.50 per cwt, while the 500-600 lb. weight category had the only loss over the week. All feeder heifer weight categories except the 500-600 lb. weight category reached new all-time high record prices over the week.

Feeder cattle prices were overall higher over the week with strong feeder cattle demand supported by record high feeder cattle future prices and lower trending feed prices.

The Saskatchewan 750 lb. feeder steer basis compared to the September 18, 2014 U.S. feeder cattle index at US\$230.28 per cwt was calculated at -\$16.42 per cwt (US\$230.28/0.9135 - \$235.67), a basis widening of \$0.60 per cwt from -\$15.82 per cwt on September 11, 2014.

Feeder cattle futures prices were higher over the week with the nearby September to November contracts increasing between US\$1.125 and US\$2.800 per cwt. The September contract increased US\$1.125 per cwt to settle Friday at US\$230.600 per cwt, while the October contract increased US\$2.800 per cwt to settle Friday at US\$228.725 per cwt. The higher prices on Friday helped the September to November contracts establish new all-time high record prices.



Source: CME

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Live cattle futures prices were mixed over the week but ended the week lower, week-over-week. The October live cattle futures contract declined US\$0.650 per cwt to settle Friday at US\$155.625 per cwt, while the December contract declined US\$0.550 per cwt to settle Friday at US\$158.700 per cwt, week-over-week.

Iowa cash corn prices continued lower decreasing 15 cents per bushel, week-over-week, to end Friday at US\$3.07 per bushel. The corn futures market edged higher Monday and Tuesday before declining Wednesday to Friday. The December corn contract was down 7 cents to settle Friday at US\$3.31½ per bushel, while the March 2015 corn futures contract was down almost 7 cents to settle Friday at \$3.44¼ per bushel.

### ***Fed and Non-fed Cattle***

	September 19	September 12	Change over Week
<b>Cows (Alberta)</b>			
D1.2 Live	123.10	124.13	-1.03
D3 Live	110.33	111.70	-1.37
Rail	235-240	235-240	0.00

Source: Canfax.

Prices for liveweight, non-fed cattle in Alberta edged lower last week with D1,2 slaughter cows decreasing \$1.03 per cwt to average \$123.10 per cwt, while the price of D3 slaughter cows decreased \$1.37 per cwt to average \$110.33 per cwt.

Fed cattle prices in Western Canada edged higher over the week. The price of fed steers in Alberta was reported to average \$163.43 per cwt, up \$0.30 per cwt from the price of \$163.13 per cwt the previous week.

The live (FOB feedlot) weighted average 5-area (Texas/Oklahoma/New Mexico, Kansas, Nebraska, Colorado and Iowa/Minnesota) weekly fed steer price in the U.S. was reported at US\$156.74 per cwt, down US\$4.10 per cwt from US\$160.84 per cwt the previous week, but up 26.3 per cent from US\$124.07 per cwt the same week a year ago. The dressed (delivered basis) price for U.S. steers delivered to plants in the 5-area was reported at US\$244.74 per cwt, down US\$4.46 per cwt from US\$249.20 per cwt the previous week, but up 25.1 per cent from US\$195.65 per cwt the same week a year ago.

Choice beef cutout prices (600-900 lb.) averaged US\$246.23 per cwt, down US\$4.85 per cwt from the weekly average price of US\$251.08 per cwt the previous week, but up 27.6 per cent from US\$192.94 per cwt the same week a year ago.

Cattle slaughter numbers over the week were estimated at 571,000 head down 3.5 per cent from the previous week, and down 9.5 per cent from 631,000 head a year ago. Beef production totaled 465.4 million lb., down 3.3 per cent from 481.1 million lb. a week ago, and down 7.5 per cent from 502.9 million lb. a year ago.

On September 19, 2014, the United States Department of Agriculture (USDA) released the monthly *Cattle on Feed Report* for September 1, 2014.

September 1, 2013 and 2014, Cattle on Feed (in U.S. feedlots with 1,000+ capacity)			
	2013	2014	Per cent of previous year
On feed August 1	10,025,000	9,837,000	98.1
Placed during August	1,772,000	1,720,000	97.1
Marketed during August	1,871,000	1,692,000	90.4
Other disappearance during August	50,000	66,000	132.0
On feed September 1	9,876,000	9,799,000	99.2

Source: USDA

The USDA Cattle on Feed (COF) report indicated that the number of cattle placed on feed in August 2014 was 1.720 million head, down 2.9 per cent from 1.772 million head in August 2013, but up 10.3 per cent from 1.560 million head in July 2014. The number of fed cattle marketed in August 2014 was 1.692 million head, down 9.6 per cent from 1.871 million head in August 2013, and down 5.3 per cent from 1.787 million head marketed in July 2014. The August cattle placements were higher than the average trade estimates (96.0) and the cattle marketed in August were at the average trade estimates (90.4).

The cattle on feed for September 1, 2014 were estimated at 9.799 million head, 0.8 per cent below the September 2013 inventory numbers, and 0.4 per cent below the August 2014 numbers; but slightly above the average trade estimates (99.0). The cattle on feed report was overall close to the average trade estimates and likely viewed as fairly neutral. With September cattle on feed numbers lower than year ago numbers and fed cattle marketing numbers also lower, the factors remain in place to support continued strong feeder cattle prices.

### ***Friday Price Information***

<b>Product</b>		<b>This Week (September 19)</b>	<b>Week of: (September 12)</b>
<b>Canadian Dollar</b> (closing rate US\$)		.9135	.9014
<b>U.S. Cash Cattle</b>			
Thurs. Feeder Cattle (FC) Index (US\$ per cwt)		230.28	227.74
Seven-day Weighted Average FC Index Wt. (lb.)		754	762
Live Fed 5-area Steer Price (US\$ per cwt)		156.74	160.84
<b>Feed Grains</b>			
<b>Barley</b>	Lethbridge (\$/tonne)	164.00	166.00
	(\$ per bu.)	3.57	3.61
<b>Corn</b>	Iowa State Average (CDN\$/tonne)*	132.30	140.63
	(US\$ per bu.)	3.07	3.22
	Omaha, NE (CDN\$/tonne)*	137.04	147.18
	(US\$ per bu.)	3.18	3.37
<b>Futures</b>			
Dec. Corn (US\$ per bu.)		3.31½	3.38½
March Corn (US\$ per bu.)		3.44¼	3.51
October Live Cattle (US\$ per cwt)		155.625	156.275
December Live Cattle (US\$ per cwt)		158.700	159.250
September Feeder Cattle (US\$ per cwt)		230.600	229.475
November Feeder Cattle (US\$ per cwt)		226.325	223.925

Sources: Bank of Canada, Iowa Department of Agriculture and Land Stewardship, Chicago Mercantile Exchange (CME), ICE Futures Canada and USDA Livestock & Grain Market News

\* conversion to CDN\$ is based on Friday's CDN\$ closing rate

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